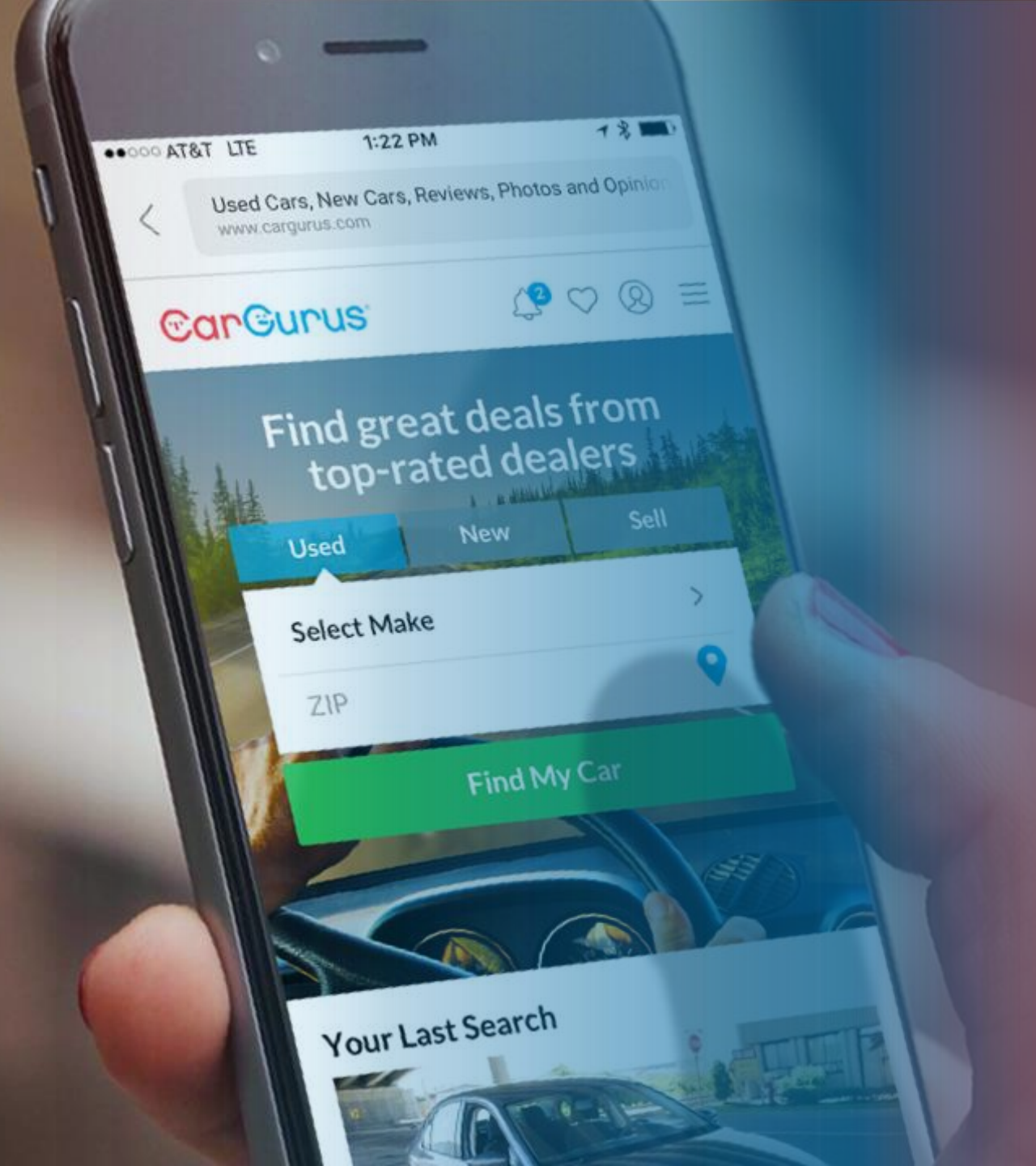




# Q1 2022 Business Update

May 9<sup>th</sup>, 2022



# Cautionary Note Regarding Forward-Looking Statements

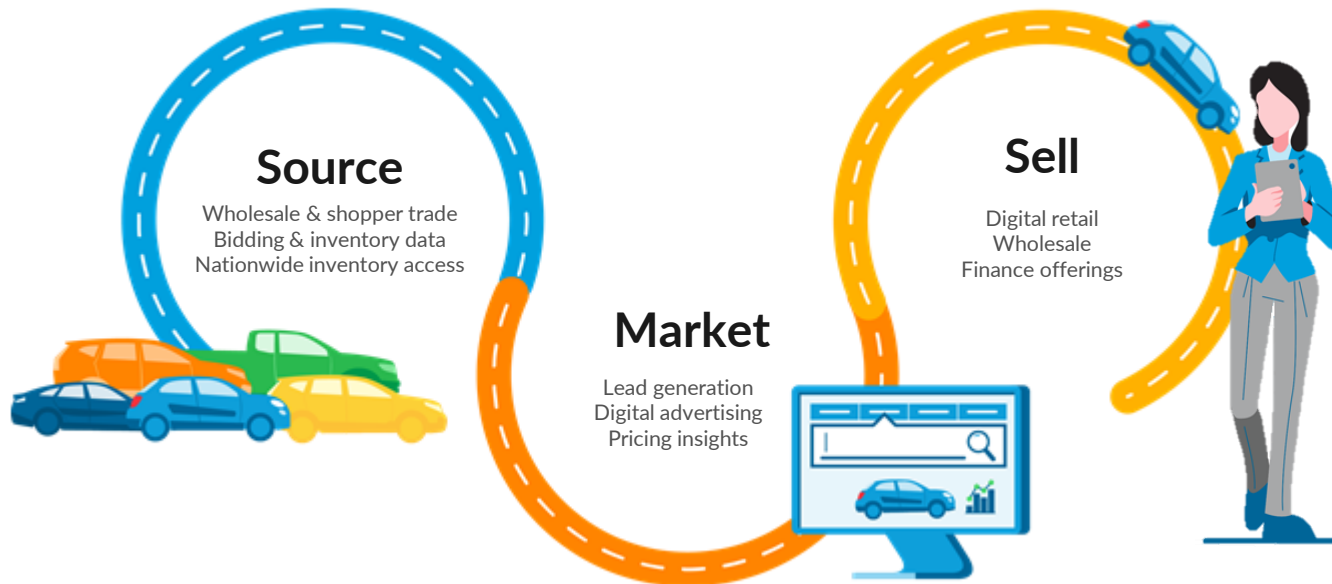
Certain information contained in this presentation, other matters discussed today and answers that may be given in response to questions may include “forward-looking statements.” We may, in some cases, use terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “likely,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “target,” “will,” “would,” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. In particular, statements in this presentation regarding: industry trends; our market awareness; our business and growth strategy and our plans to execute on our growth strategy; the growth levers we expect to drive our business; our brand awareness efforts; our investments in and ability to drive adoption of new and existing products and their benefits; the attractiveness and value proposition of our current offerings and other product opportunities; our ability to maintain existing and acquire new customers; addressable opportunities; synergies created from our combined offerings; the potential growth, scaling and efficiency of CarOffer, as well as the value proposition of CarOffer’s business and expected transaction synergies; the potential growth and scaling of CarGurus Instant Max Cash Offer; our future financial and business performance, including for the second quarter of 2022; the impact of the COVID-19 pandemic and macro-level industry issues on our business and financial results; our belief that the presentation of non-GAAP financial measures and other business metrics is helpful to our investors; and other statements regarding our plans, prospects and expectations, are examples of such forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, including, without limitation, risks related to: our growth and ability to grow our revenue; our relationships with dealers; competition in the markets in which we operate; market growth; our ability to innovate; our ability to realize benefits from our acquisitions and successfully implement the integration strategies in connection therewith; natural disasters, epidemics or pandemics, like COVID-19 that has negatively impacted our business; global supply chain challenges, the semiconductor chip shortage and other macroeconomic issues; our ability to operate in compliance with applicable laws, as well as other risks and uncertainties as may be detailed from time to time in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and other reports we file with the Securities and Exchange Commission. These factors could cause actual results and developments to be materially different from those expressed in or implied by such statements. Forward-looking statements do not guarantee future performance and actual results may differ materially from those projected. The forward-looking statements are made only as of the date of this presentation, and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstance.

This presentation also contains estimates and other statistical data, including those relating to our industry and the market in which we operate, that we have obtained or derived from internally-prepared studies and surveys, third-party studies, industry publications and reports, as well as other publicly available information prepared by a number of third-party sources. We rely on both internal data and Google Analytics for data relating to our own key business metrics and, for consistency, we rely on Comscore and, as applicable, third-party studies for data relating to comparisons with our competitors. Google Analytics, Comscore and applicable third-party studies use different methodologies to derive their data and therefore their data for similar statistics are not comparable. These third-party studies and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Based on our experience, we believe that these third-party studies and industry publications and reports are reliable and that the conclusions contained therein are reasonable. In addition, you are cautioned not to rely on our extrapolations of internally-prepared studies and surveys and/or third-party studies, as these are estimates involving a number of assumptions and limitations, which we are unable to ensure will be reached.

In addition to the financial measures contained in this presentation that are prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), this presentation includes certain non-GAAP financial measures and other business metrics. The presentation of non-GAAP financial information and other business metrics is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. While our non-GAAP financial measures and other business metrics are an important tool for financial and operational decision-making and for evaluating our own operating results over different periods of time, we urge investors to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measure included above it in the relevant presentation slide or Appendix to this presentation, as applicable, and not to rely on any single financial measure to evaluate our business.

CarGurus® is a registered trademark of CarGurus, Inc., and CarOffer® is a registered trademark of CarOffer, LLC. All other product names, trademarks and registered trademarks are property of their respective owners.

# Our mission to disrupt the automotive market continues



## Where we are

CarGurus operates the largest online automotive marketplace in the U.S. by visits<sup>1</sup> and inventory<sup>2</sup>

Our technology foundation drives transparency, ease-of-use and market-leading ROI in the Listings industry

## Where we are going

CarGurus' vision is to create the single best automotive platform for buying and selling vehicles by combining our industry-leading listings marketplace with digital retail solutions, and the CarOffer digital wholesale network

Consumers can confidently shop, buy, finance, and sell from the comfort of their homes

Dealers can instantly acquire, market and sell at competitive prices with nationwide reach

<sup>3</sup> 1. As measured quarterly by total visits. Source: Comscore Media Metrix® Multi-Platform, Automotive - Information/Resources, Total Visits, Q1 2022, U.S., as of May 9, 2022.

2. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of March 31, 2022.

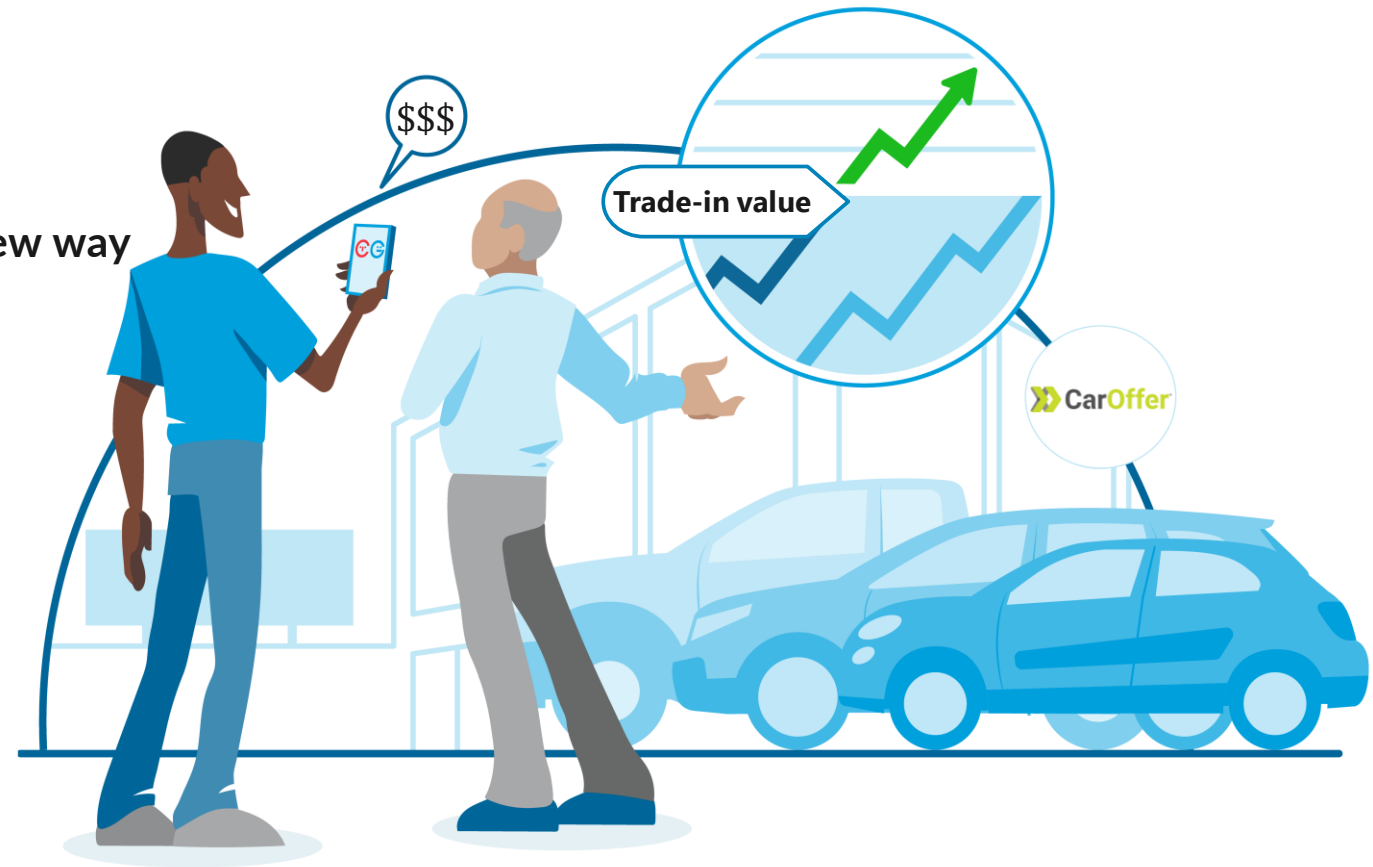
# CarGurus' Platform Provides Efficiency, Transparency & Competitive Pricing from the Largest Network of Dealers & their Inventory in the U.S.<sup>1</sup>

Old way of car shopping...



- Extensive research
- No competitive pricing
- One dealer approach
- Lack of transparency
- Limited inventory

... The new way

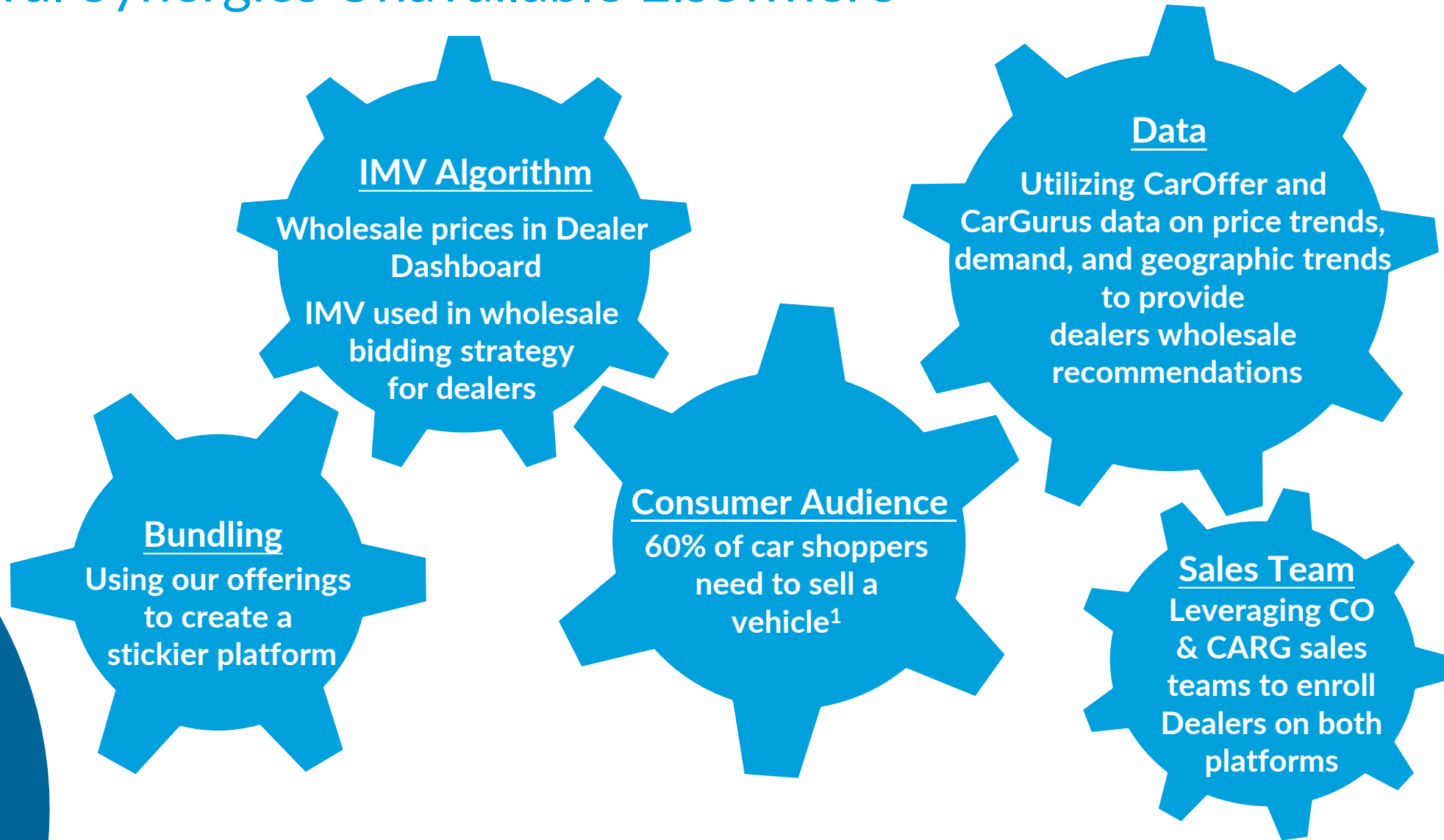


- + **Convenience:** One combined solution to buy and sell (and at scale)
- + Full **transparency** on dealership vehicle listings
- + Access to the **largest** network of dealers and their inventory in the U.S.<sup>1</sup>
- + **Competitive** pricing from thousands of dealers for trade-ins & new purchases
- + **Self-selected journey**, start online and complete the transaction in person

<sup>4</sup> 1. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of March 31, 2022.

# The Combination of Listings, Digital Wholesale and Digital Retail Creates Powerful Synergies Unavailable Elsewhere

Sum of the parts are greater than the standalone...

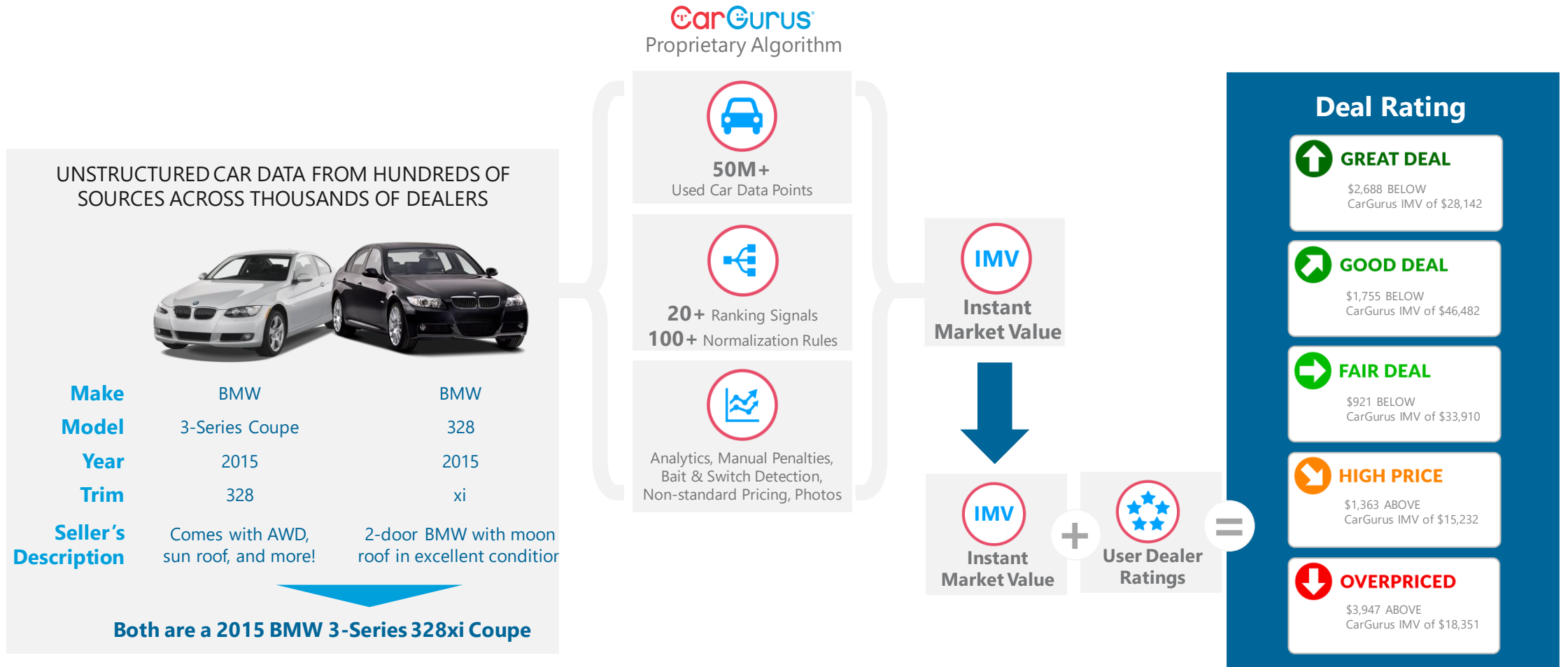


1. CarGurus Internal Data (2021)









# Consumer Value Proposition and Audience Makeup

# Our Technology Drives Transparency for Consumers



# CarGurus is nearly 3x as likely to be the final auto shopping site visited before purchase<sup>1</sup>

CarGurus users are more likely to report engaging with the site than competitors' users on average<sup>1</sup>

-  **47%** more likely to **sign up for alerts** that notify them when there are new listings that match their search
-  **31%** more likely to **download the app**
-  **30%** more likely to **view photos** of specific cars on site
-  **28%** more likely to **review vehicle listings** on site
-  **27%** more likely to **save a listing** so they can review it later
-  **15%** more likely to **research** whether a vehicle is a good deal

And they prefer an omnichannel approach to shopping

**80%**

are open to buying online, but most still prefer an in-person test drive<sup>1</sup>

**22%**

more likely to prefer online financing<sup>1</sup>

**70%**

more likely to prefer online trade-in valuation<sup>1</sup>

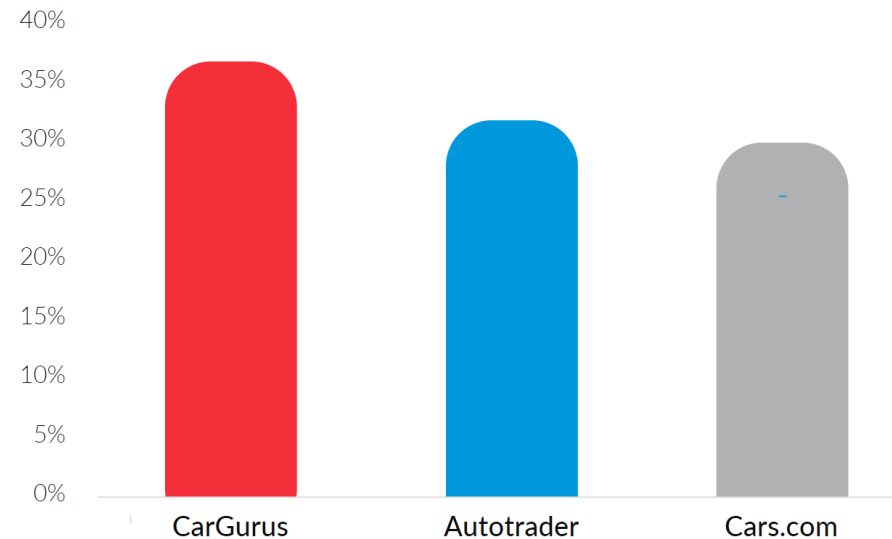


# CarGurus Generates Faster Inventory Turnover than Other U.S. Marketplaces<sup>1</sup>

A third-party study found that vehicles listed on CarGurus sell **16% faster than Autotrader** and **22% faster than Cars.com**.<sup>1</sup>

The same study showed that for inventory listed by paying dealers on CarGurus, adding a second listings site like Cars.com or Autotrader barely moved the needle, reducing average days on market by **only 6%**.<sup>1</sup>

Percent of inventory turned over each month<sup>1</sup>



For a dealer with 50 cars in inventory, that advantage could mean an average of 5 to 7 extra cars sold every month<sup>2</sup>.

1. Comparative Analysis of US Vehicle Listings Platforms, Bates White Economic Consulting, June 2020.

2. Assuming a 45-day average turn and 50 cars in inventory, a 16% improvement in turn rate over Autotrader yields 5.3 more cars sold per month, and a 22% improvement over Cars.com yields 7.3 more cars sold per month.

# Dealer Business Overview

# Our Freemium Marketplace Can't Be Replicated by Classified Models

LARGEST U.S. AUTO INVENTORY<sup>1</sup>



## Car Information

- Vehicle History
- Time on Site



## Price Information

- Instant Market Value<sup>2</sup>
- Deal Rating
- Price History



## Dealer Information

- Qualified Dealer Reviews
- Dealer Ratings

SEARCH RESULTS SORTED BY DEAL RANKING



**92%**  
of users  
are in-market<sup>3</sup>

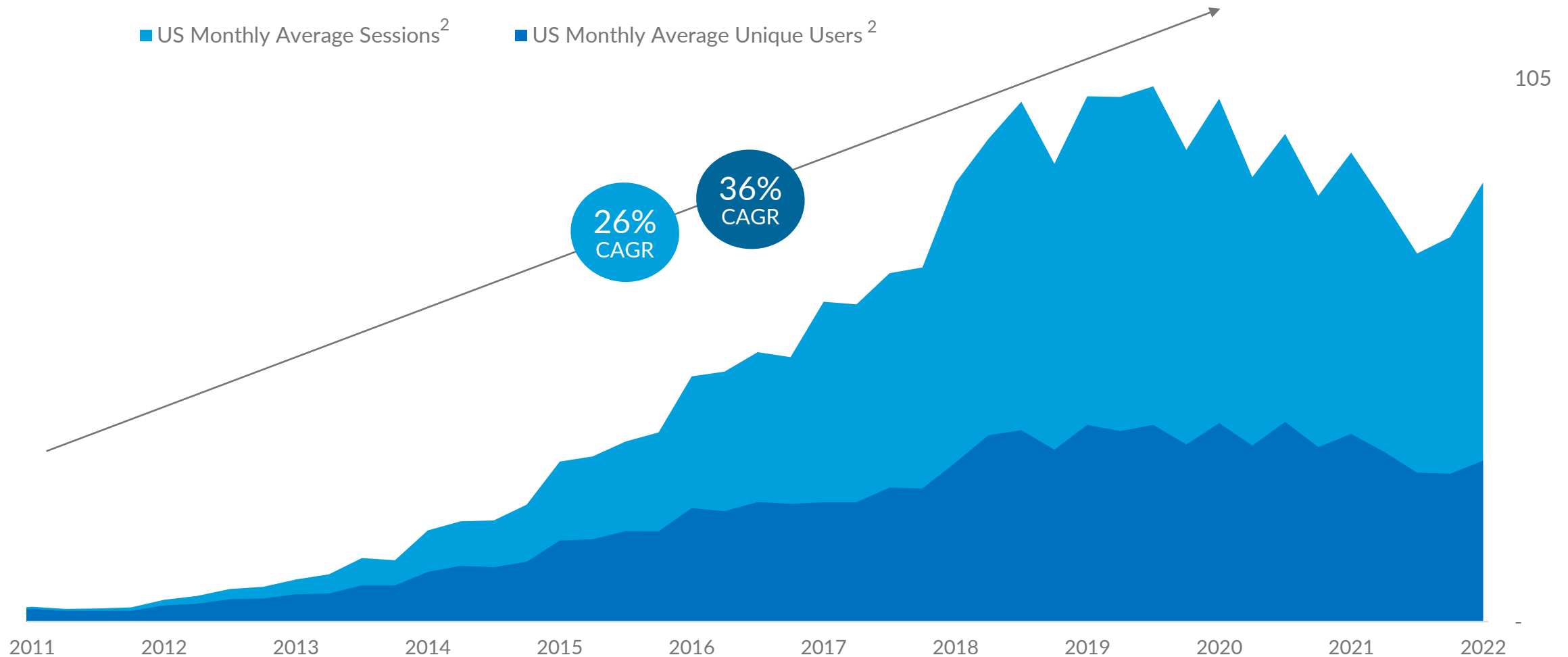
ENGAGED, INFORMED, READY-TO-BUY CONSUMERS

**60%**  
more likely to visit CG vs. other  
sites within week of purchase<sup>4</sup>

1. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of March 31, 2022.
2. CarGurus' proprietary search algorithm.
3. Company survey of 1,000 U.S. CarGurus users during Q4 2019.
4. 2019 CarGurus Buyer Insight Report (January 2020); Compared to competitive set, which includes Autotrader.com, Cars.com, Edmunds, KBB, and TrueCar.com.

# We are the #1 Online U.S. Automotive Marketplace<sup>1</sup>

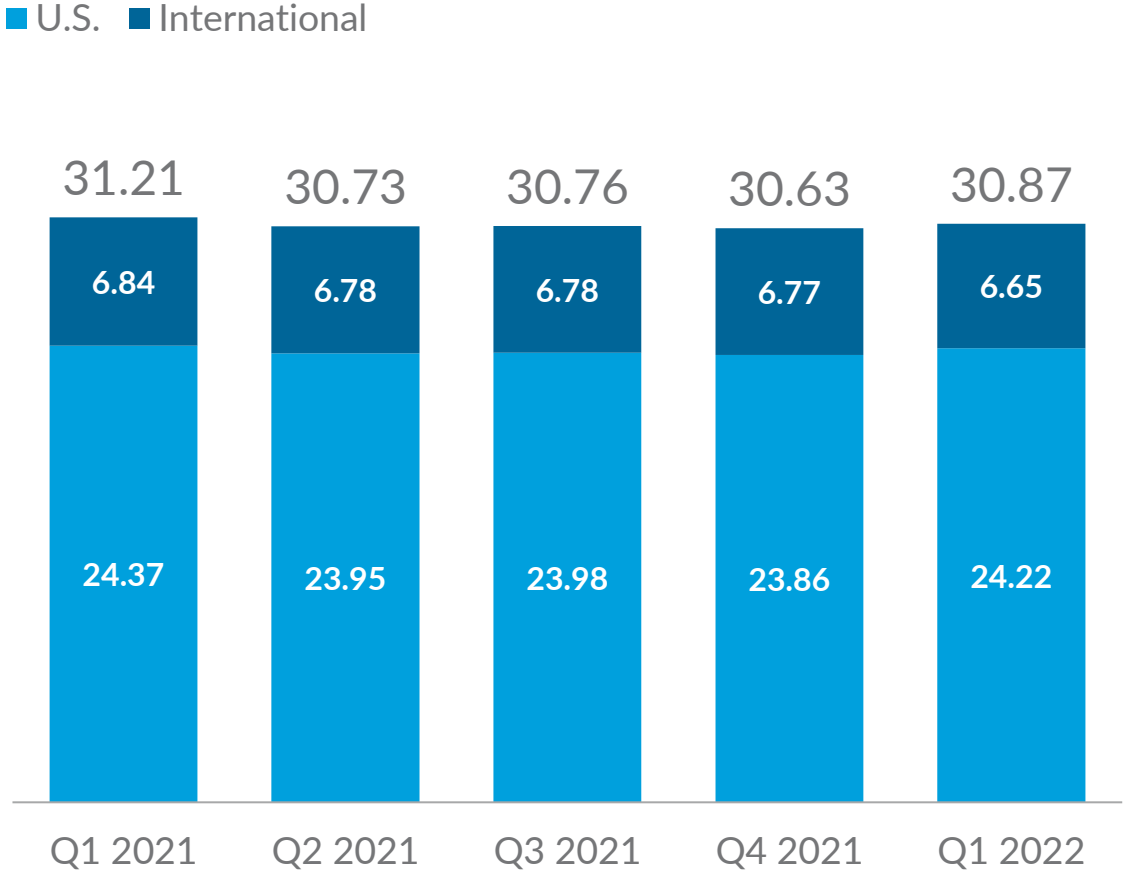
(MILLIONS)



1. As measured quarterly by total visits. Source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Total Visits, Q1 2022, U.S., as of May 9, 2022.  
2. Source: Google Analytics; Commencing January 16, 2020 (the date of the closing of our acquisition of Autolist), data includes sessions and unique users, as applicable, from the Autolist website.

# Quarterly Paying Dealer Count

TOTAL PAYING DEALERS (THOUSANDS)





# Our Dealer Offerings Unlock Digital Marketing Wallet Share



Restricted Listing



Paying Dealers

- Standard Listing
- Enhanced Listing
- Featured Listing
- Featured Priority



Dealer Dashboard

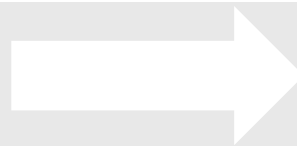
- Performance Summary
- Dealer Insights
- User Review Management
- Pricing Tool
- Market Analysis
- IMV Scan



RPM Marketing Suite

- On-site Advertising
- Audience Retargeting
- Social Ads

Digital Retail

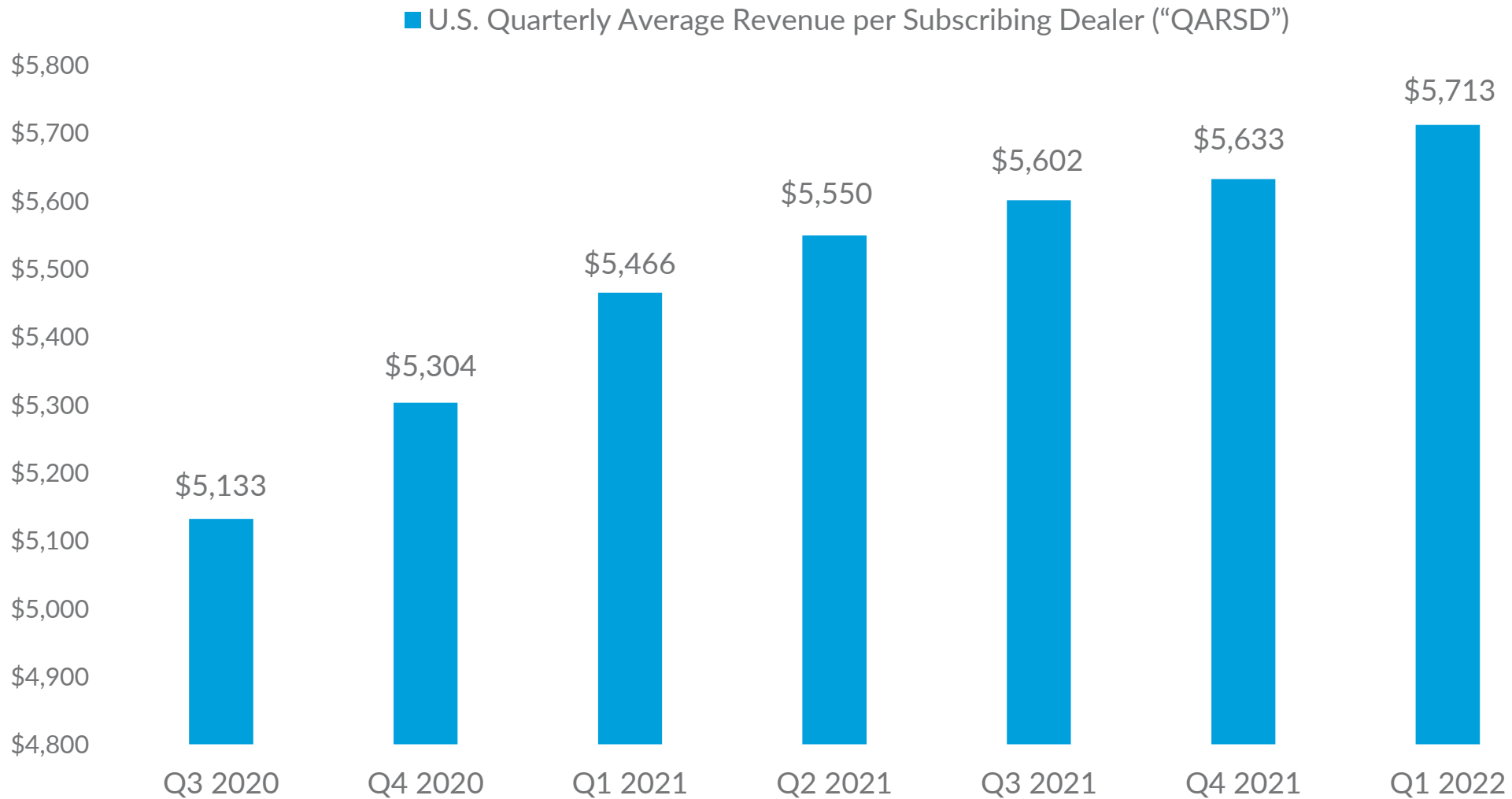


Digital Deal

Area Boost

Hard-pull

# Continued Growth in U.S. QARSD Despite Macro-Economic Factors



# Digital Wholesale

# CarOffer's advantage over traditional wholesale auctions

## FOR ALL DEALERS

### Fair, flat fees

Fixed sell and buy fees regardless of vehicle price, with **no subscription fees**.

### Nationwide reach

Buyers and sellers benefit from the size and scale of CarOffer's growing network.

### Group trade

Dealers can trade privately amongst a separate, closed group of stores.

### Consumer acquisition channel

Access to a fresh source of consumer inventory with the integration of

<sup>17</sup>CarGurus Instant Max Cash Offer.

## FOR SELLING DEALERS

### Always be selling

Receive bids on inventory without having to send the car to the auction lane.

### Full transparency...always

Dealers can view live offers directly in their inventory management system.

### Eliminate aged inventory

Liquidate inventory either through the Buying Matrix or a 45-day Guaranteed Bid contract.

## FOR BUYING DEALERS

### Save time

Avoid spending hours monitoring auction lanes and bidding on cars one at a time.

### Dynamic bidding

Create dynamic bid strategies using market data.

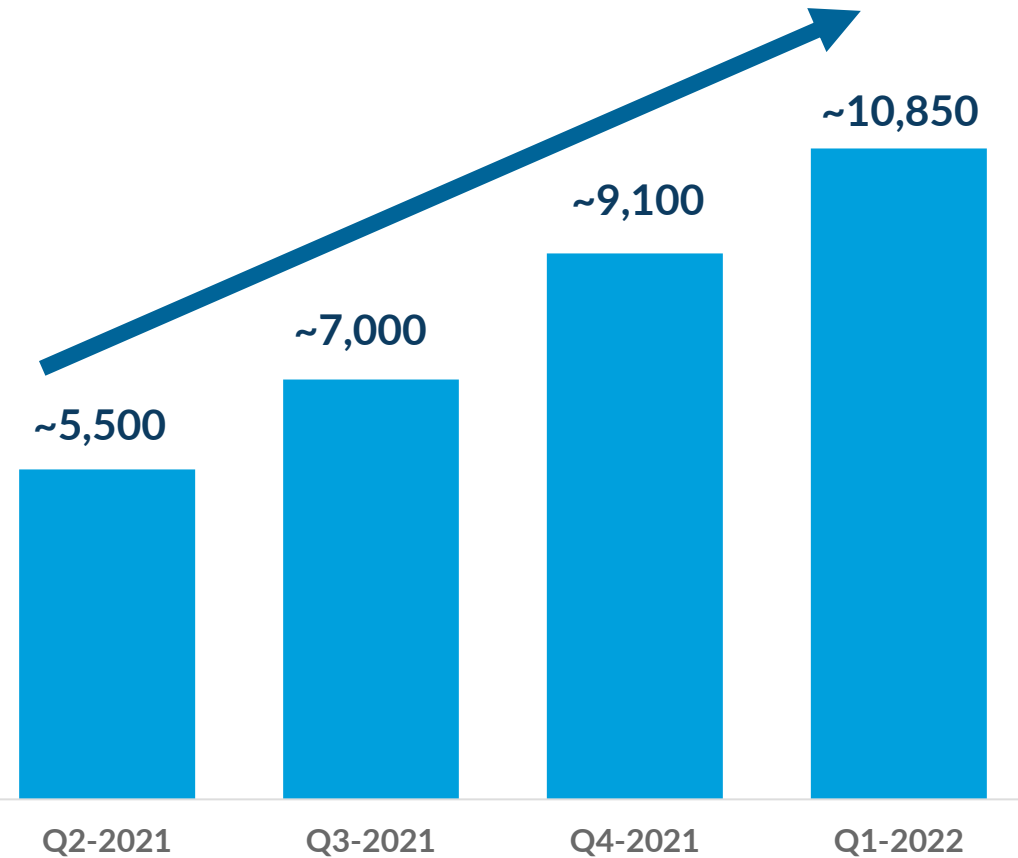
### Reduce surprises

Transparency through detailed condition reports and inspections.

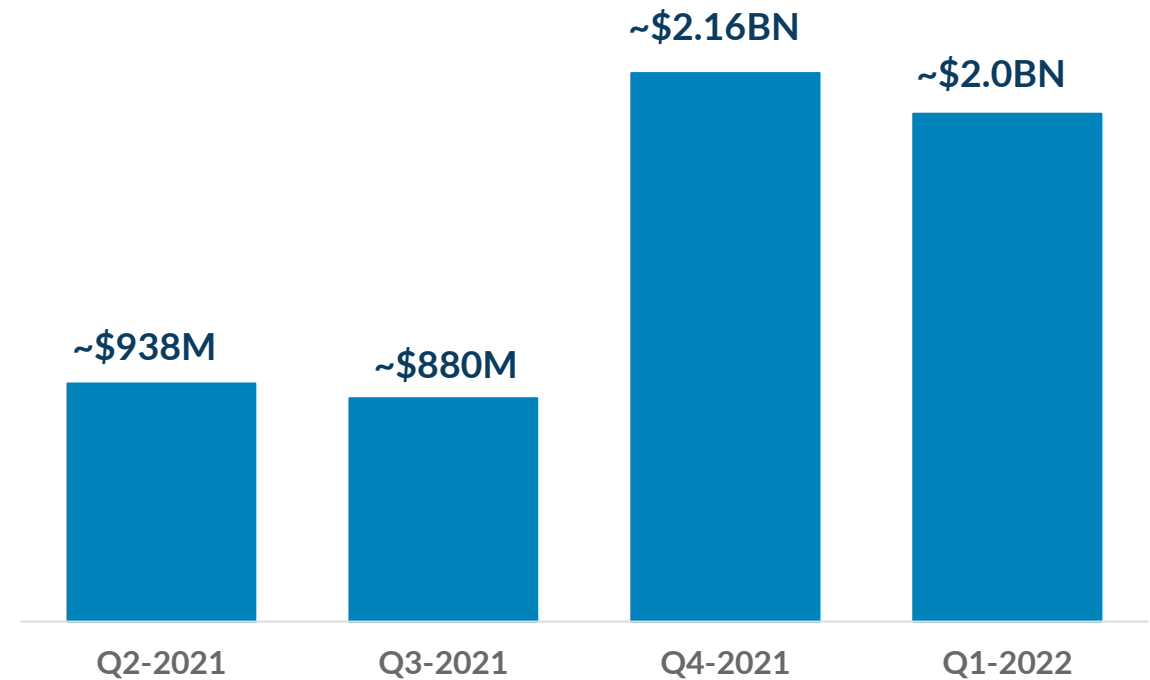


# The CarOffer network is scaling fast...

## Cumulative Enrolled Rooftops <sup>1</sup>



## Gross Merchandise Sales <sup>2</sup>

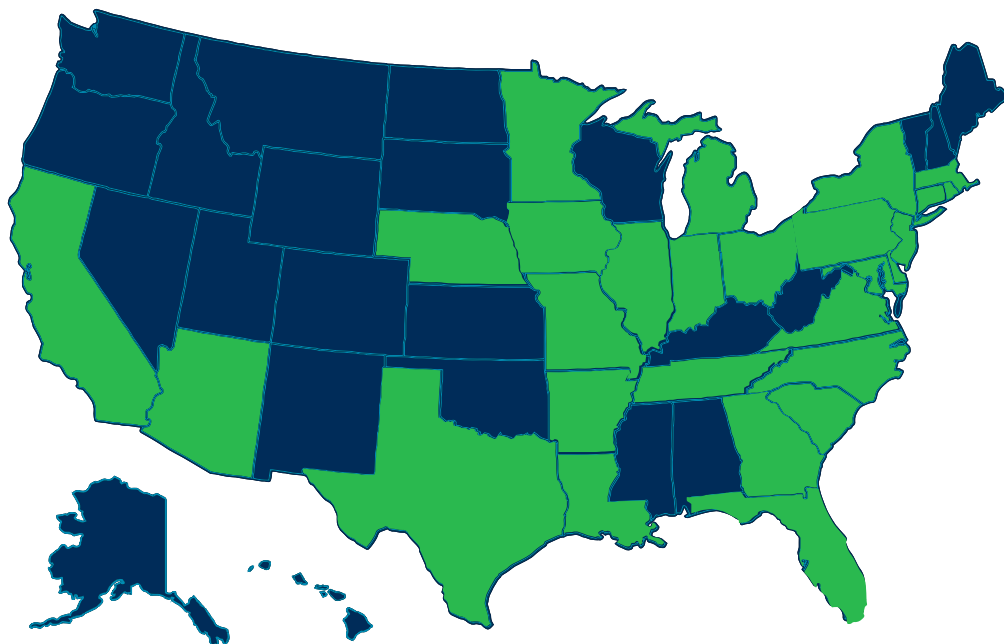


1. Reflects CarOffer enrolled dealer rooftops. CarOffer enrolled dealer rooftops are defined as those for which CarOffer and the applicable dealer have signed an enrollment agreement to participate on the CarOffer platform and CarOffer has entered such dealer's rooftops in its sales management system. Includes dealers that have signed an enrollment agreement but have not yet completed CarOffer's onboarding process.
2. CarOffer Gross Merchandise Sales ("GMS") defined as the aggregate sale price of all vehicles sold through the CarOffer platform during the specified time period, calculated as the sum of each vehicle's selling price indicated in the CarOffer system of record based on the date on which CarOffer considers the vehicle as sold, which can vary depending on the nature of the transaction. Excludes OfferGuard and Guaranteed Put-Bid contracts, as well as all fees relating to transportation, inspection, and arbitration. Amounts for reported periods are subject to potential adjustment after the date hereof based on future arbitration claims that may occur in the ordinary course.
- 18 This GMS definition reflects an adjustment from prior period disclosures to more closely align transactions included in GMS with CarGurus' revenue recognition policies. As a result, historical amounts presented above have been restated for consistency with this revised methodology.

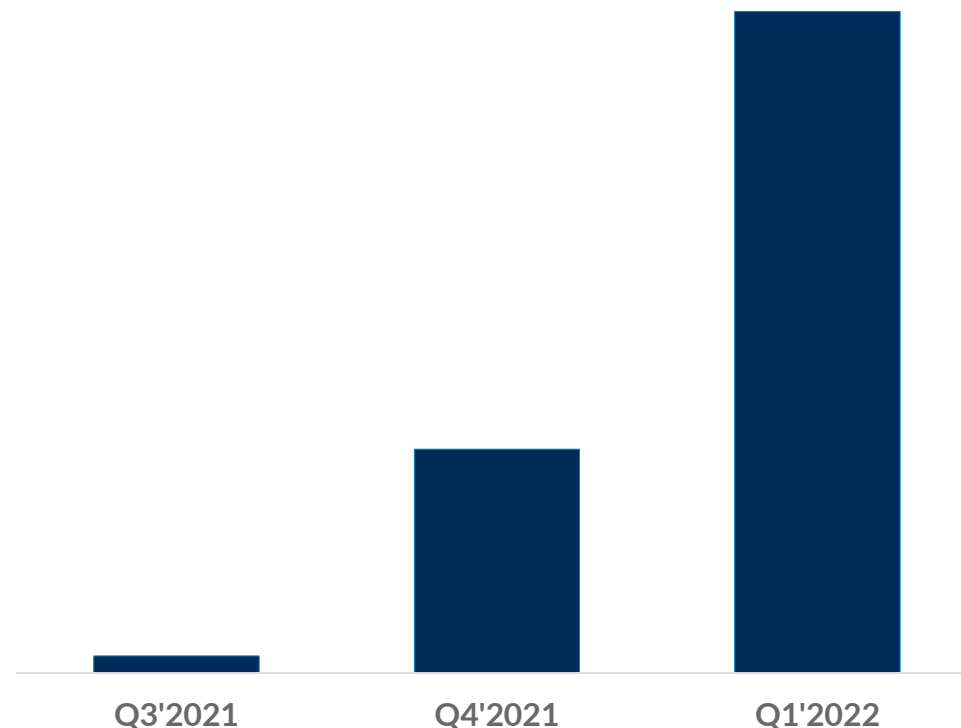


# Moving Quickly to Scale CarGurus Instant Max Cash Offer

Covering ~80% of the U.S. Population



Quarterly Transactions<sup>1</sup>

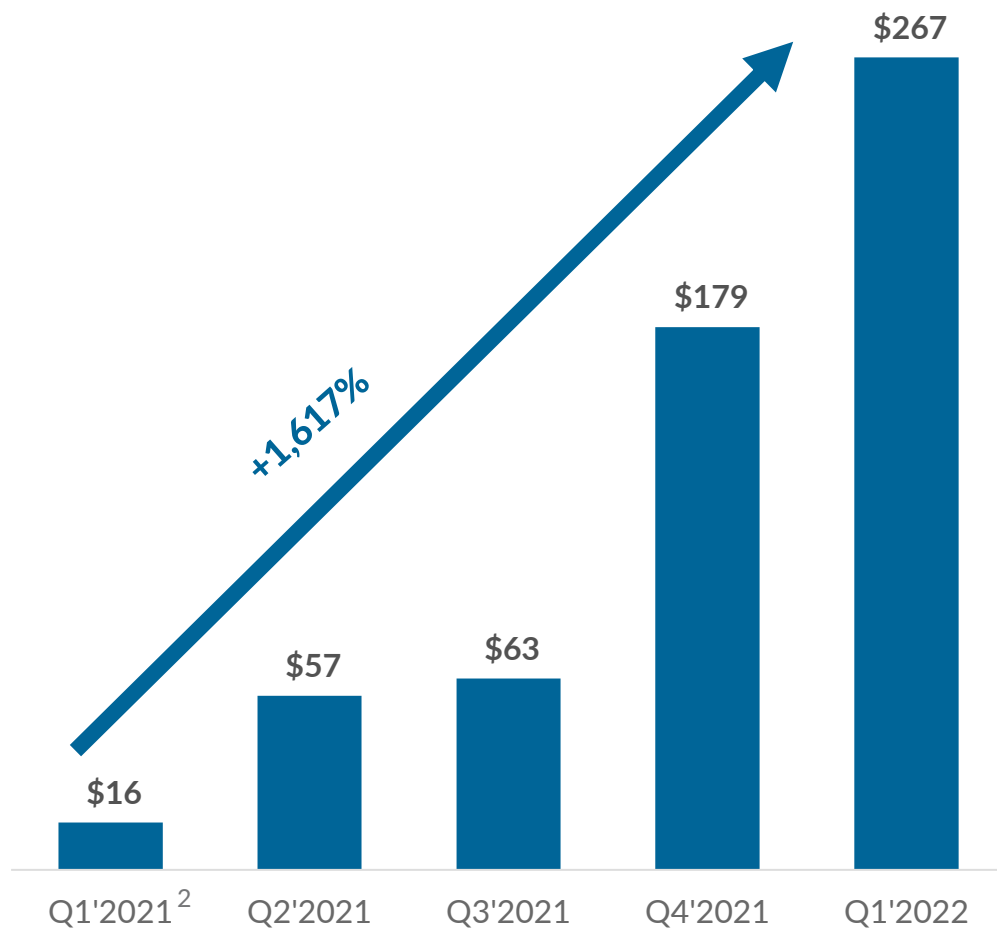


Q3'2021 – TX, FL, MA, GA, MI, PA, CT, RI  
Q4'2021 – AR, DE, IL, IN, IA, LA, MO, NE, NJ, TN, VA, DC, NY, MD, MN  
Q1'2022 – CA, NC, SC, OH, AZ

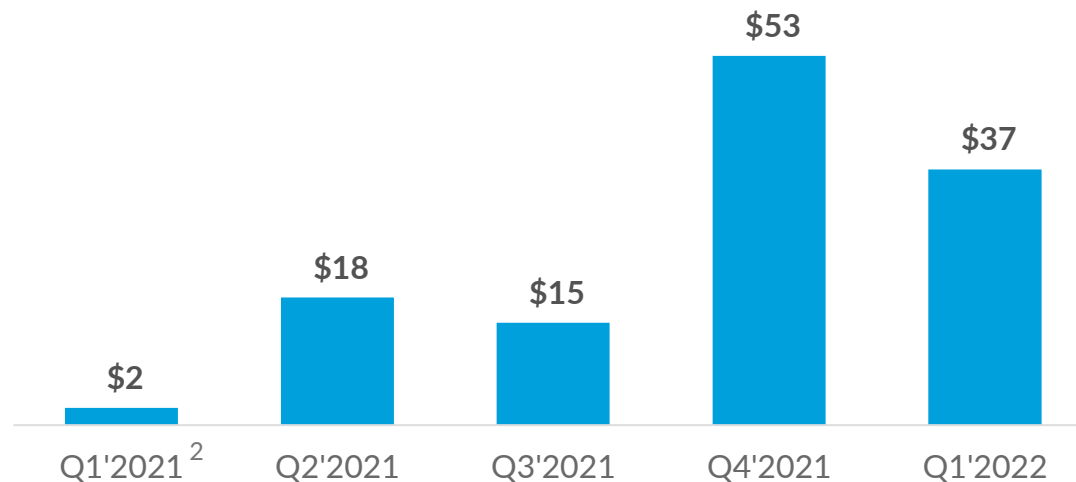
1. Transactions defined as the number of vehicles sold by consumers through the CarOffer platform during the specified time period, based on the date that CarOffer considers the vehicle as sold, which can vary depending on the nature of the transaction. The number of transactions for reported periods is subject to potential adjustment after the date hereof based on future arbitration claims that may occur in the ordinary course. This definition reflects an adjustment from prior period disclosures to more closely align transactions with CarGurus' revenue recognition policies. As a result, historical amounts presented above have been restated for consistency with this revised methodology.

# CarOffer Select Financials

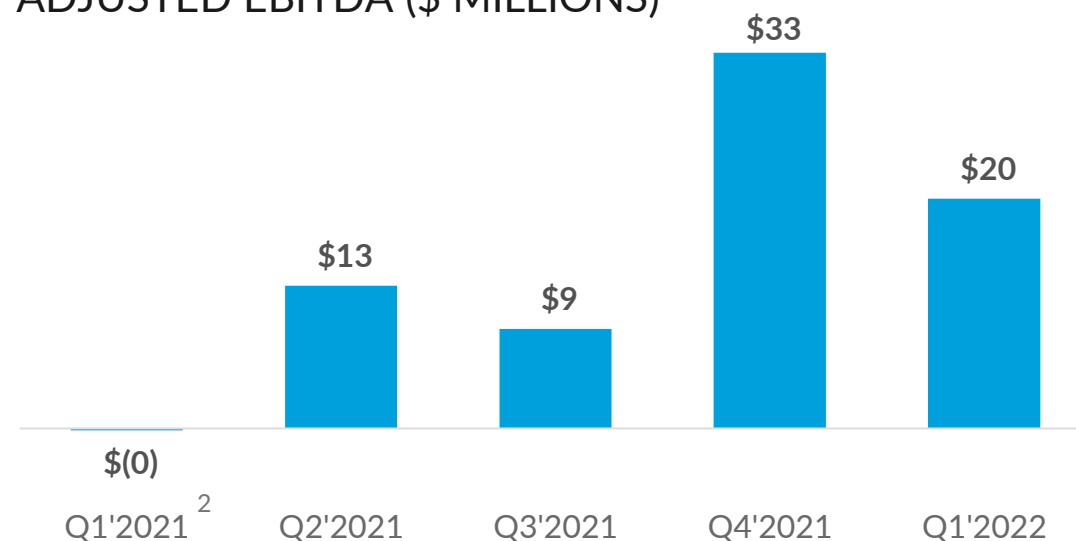
REVENUE (\$ MILLIONS)



NON-GAAP GROSS PROFIT (\$ MILLIONS)<sup>1</sup>



ADJUSTED EBITDA (\$ MILLIONS)<sup>1</sup>



1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures.

2. Inclusive of amounts from January 14, 2021, the closing date of CarGurus' acquisition of a 51% ownership interest in CarOffer, through March 31, 2021.

Note: The figures presented for non-GAAP gross profit and Adjusted EBITDA above are not intended to align with how such terms are used in connection with call and put rights under the CarOffer Operating Agreement (as defined in CarGurus' Annual Report on Form 10-K for the year ended December 31, 2021), which in each case are calculated in accordance with the defined terms and subject to the adjustments set forth therein.

# CarOffer Select Financials

<i>(millions)</i>	Q1 2022	QoQ $\Delta$	YoY $\Delta$
Revenue:	\$267M	+50%	+1,617%
Non-GAAP Gross Profit <sup>1</sup> :	\$37M	-31%	+1,364%
<i>Non-GAAP Gross Profit Margin<sup>1</sup>:</i>	14%	-1,600bps	-200bps
Adjusted EBITDA <sup>1</sup> :	\$20M	-39%	+10,200%
<i>Amortization of Intangibles:</i>	\$7M	0%	20%
<i>Stock Based Compensation:</i>	\$14M	+12%	+1,034%
Non-GAAP Net Income <sup>1</sup> :	\$16M	-46%	+5,300%

1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures.

Note: The figures presented for non-GAAP gross profit and Adjusted EBITDA above are not intended to align with how such terms are used in connection with call and put rights under the CarOffer Operating Agreement (as defined in CarGurus' Annual Report on Form 10-K for the year ended December 31, 2021), which in each case are calculated in accordance with the defined terms and subject to the adjustments set forth therein.

# CarGurus Financial Presentation

## CarGurus—Total Revenue (Q1 2022)

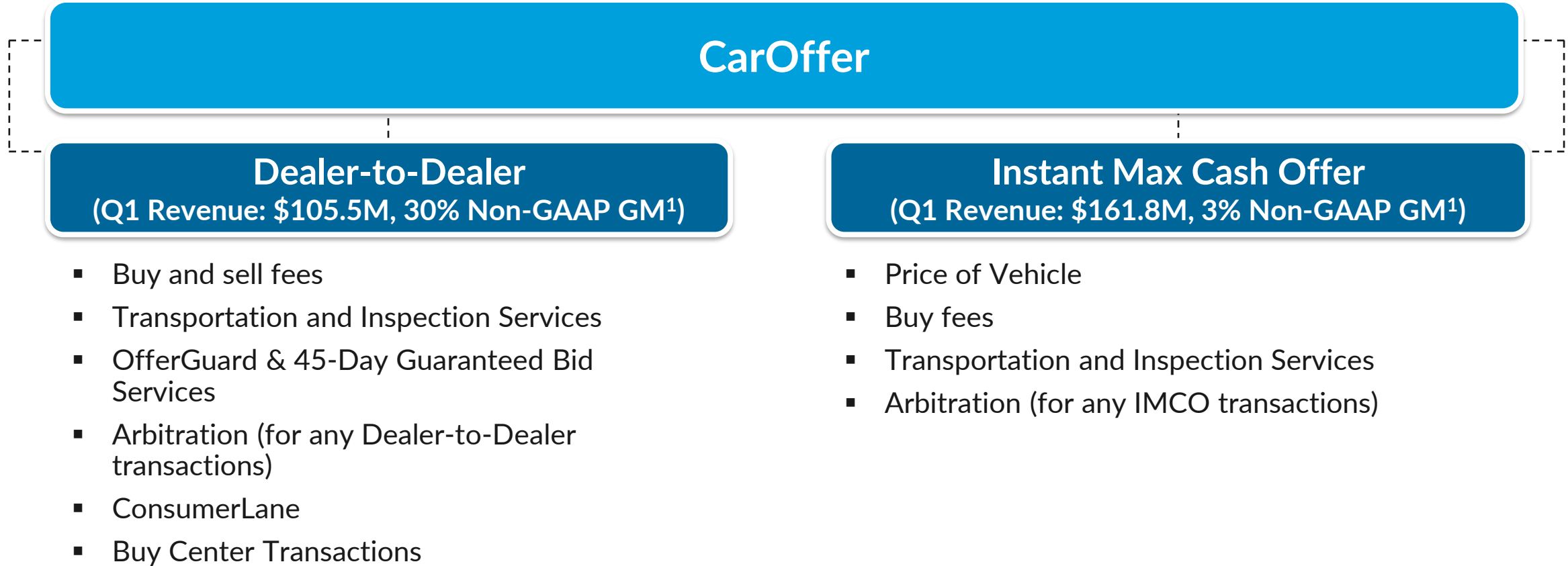


- Listings Subscription Packages
- RPM Digital Advertising Suite
- Area Boost Product
- OEM Advertising
- Finance Partnerships
- Digital Retail Pilots

- CarGurus Instant Max Cash Offer<sup>1</sup>
- Arbitration for vehicles where CarOffer possesses ownership of the vehicle before sold to auction<sup>2</sup>

- Wholesale Dealer to Dealer Transactions
- OfferGuard & 45-Day Guaranteed Bid Services
- Transportation and Inspection Services
- Arbitration for vehicles where they are subsequently rematched to dealers<sup>2</sup>
- ConsumerLane

# Composition of D2D and CarGurus Instant Max Cash Offer Revenue



1. Please see the Appendix to this presentation for a reconciliation of this non-GAAP Gross Profit Margin measure.



# Consolidated Financial Overview

# CarGurus Financial Highlights



Strong track record of **revenue growth** in large total addressable markets



End-to-end transaction-enabled marketplace allows for **platform diversity**



Proven operating leverage and **profitability**



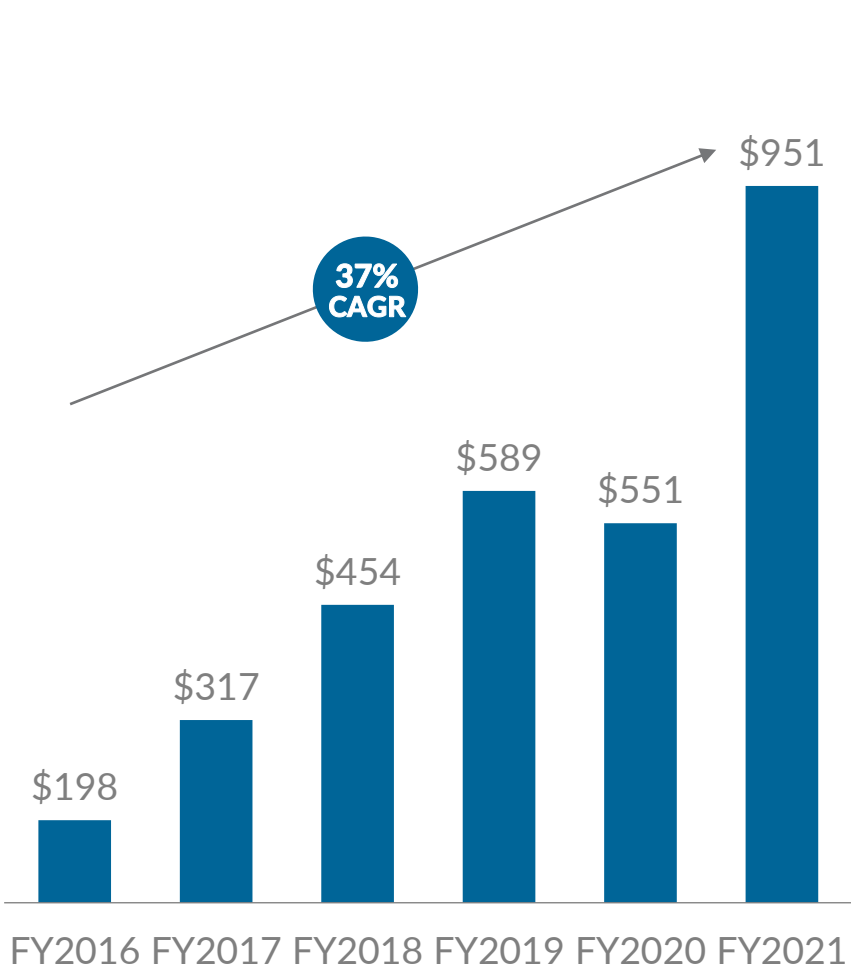
Attractive **free cash flow** generation



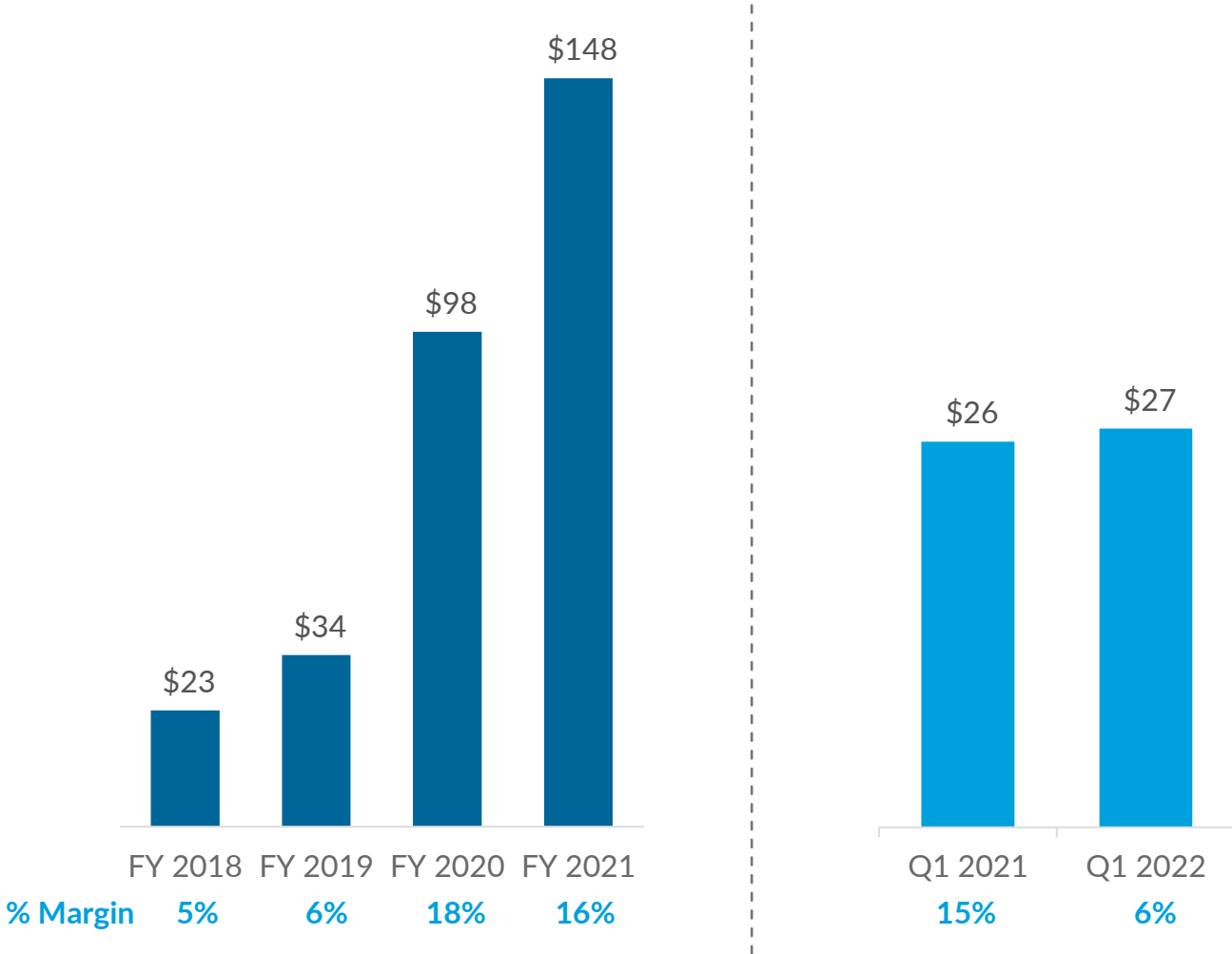
**High quality** revenue: diversified customer base, transactional & subscription revenue

# Financial Performance

CONSOLIDATED REVENUE (\$ MILLIONS)



CONSOLIDATED GAAP OPERATING INCOME (\$ MILLIONS)



# Second Quarter 2022 Outlook

2Q 2022

Revenue

\$480M - \$510M

Non-GAAP Operating Income

\$44M - \$52M

Non-GAAP Earnings Per Share

\$0.26 - \$0.29

Guidance provided by CarGurus in its earnings press release dated May 9, 2022, furnished as Exhibit 99.1 to CarGurus' Current Report on Form 8-K filed with the SEC on May 9, 2022.

The second quarter 2022 non-GAAP earnings per share calculation assumes 119.5 million diluted weighted-average common shares outstanding. This assumed number of shares outstanding excludes the potential dilution from CarGurus utilizing its equity as the sole form of consideration to purchase the remaining 49% interest in CarOffer, which is assumed for accounting purposes. As of March 31, 2022, there were 7.9 million potentially dilutive shares related to the potential future purchase of the remaining 49% interest in CarOffer, all of which have been excluded from the calculation of the second quarter 2022 non-GAAP earnings per share calculation as they were anti-dilutive as of such date.

The assumptions that are built into guidance for the second quarter 2022 regarding our pace of paid dealer acquisition, churn, and expansion activity for the relevant period are based on recent market behaviors and industry conditions. Guidance for the second quarter 2022 excludes the effects of significant COVID-19 resurgences, including the reintroduction of lockdowns and/or a slowed pace of recovery, or other macro-level industry issues that result in dealers and consumers materially changing their recent market behaviors or that cause us to enact measures to assist dealers, such as offering fee reductions or waivers as we have done from time to time during the COVID-19 pandemic. Guidance also excludes adjustments to the carrying value of redeemable noncontrolling interests resulting from potential changes in the redemption value of such interests, and any potential impact of foreign currency exchange gains or losses.

CarGurus has not reconciled its guidance for non-GAAP operating income to GAAP operating income or non-GAAP consolidated EPS to GAAP consolidated EPS because stock-based compensation, amortization of intangible assets, acquisition-related expenses, and adjustments to the carrying value of redeemable noncontrolling interests resulting from changes in the redemption value of such interests, the reconciling items between such GAAP and non-GAAP financial measures, cannot be reasonably predicted due to, as applicable, the timing, amount, valuation and number of future employee equity awards, and the uncertainty relating to the timing, frequency and effect of acquisitions and the significance of the resulting acquisition-related expenses, including adjustments to the carrying value of redeemable noncontrolling interests resulting from potential changes in the redemption value of such interests, and therefore cannot be determined without unreasonable effort.

# Appendix



# Reconciliations of CarOffer Non-GAAP Gross Profit, Non-GAAP Gross Profit Margin & Adjusted EBITDA

(\$ MILLIONS)	Q1 2021	Q4 2021	Q1 2022
GAAP CarOffer Revenue	\$15.6	\$178.6	\$267.3
GAAP CarOffer Cost of Revenue	\$13.1	\$145.9	\$236.1
<b>GAAP CarOffer Gross Profit</b>	\$2.5	\$32.7	\$31.2
Impact of CarOffer Amortization of Intangible Assets in Cost of Revenue	\$-	\$20.1	\$5.3
Impact of CarOffer Stock-Based Compensation Expense in Cost of Revenue	\$0.0	\$0.1	\$0.1
<b>Non-GAAP CarOffer Gross Profit</b>	\$2.5	\$52.9	\$36.6
<b>GAAP CarOffer Gross Profit Margin</b>	16%	18%	12%
<b>Non-GAAP CarOffer Gross Profit Margin</b>	16%	30%	14%
(\$ MILLIONS)	Q1 2021	Q4 2021	Q1 2022
<b>GAAP CarOffer Net Income (Loss)<sup>1</sup></b>	(\$7.5)	\$11.9	(\$2.8)
Impact of CarOffer Depreciation & Amortization	\$6.1	\$7.6	\$7.6
Impact of CarOffer Stock-Based Compensation Expense	\$1.2	\$12.6	\$14.1
Impact of CarOffer Other Income, net	\$0.03	\$1.0	\$1.1
Impact of CarOffer Provision for Income Taxes	\$-	\$0.2	\$0.2
<b>CarOffer Adjusted EBITDA</b>	(\$0.2)	\$33.3	\$20.2

1. Net Income (loss) attributable to CarOffer on a standalone basis does not include certain operating expenses incurred by the core CarGurus business.

Note: We define non-GAAP CarOffer Gross Profit as the difference between GAAP CarOffer Revenue and GAAP CarOffer Cost of Revenue adjusted for the impacts of CarOffer Amortization of Intangible Assets and CarOffer Stock-Based Compensation Expense in GAAP CarOffer Cost of Revenue. We define non-GAAP CarOffer Gross Profit Margin as non-GAAP CarOffer Gross Profit divided by GAAP CarOffer Revenue. We define CarOffer Adjusted EBITDA, a non-GAAP measure, as GAAP CarOffer Net Income (loss), adjusted to exclude: CarOffer Depreciation & Amortization; CarOffer Stock-Based Compensation Expense; CarOffer Other Income, net; and CarOffer Provision for Income Taxes. We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance and better understand our new CarOffer business.

# Q1 CarOffer Supplemental Select Financials

(\$ thousands)	GAAP, Q1 2022 Figures	
	Consolidated	CarOffer
Revenue	430,608	267,319
Net Income (Loss) <sup>1</sup>	18,838	(2,812)

(\$ thousands)	GAAP, Q1 2022 Figures	
	Consolidated	CarOffer
<b>Total Income (Loss) from Operations</b>	<b>26,659</b>	<b>(1,429)</b>
<b>Expenses included in Non-GAAP Income (Loss) from Operations:</b>		
Amortization of Acquired Intangible Assets	7,705	7,275
Stock-Based Compensation	27,842	14,087
<b>Total Expenses</b>	<b>35,547</b>	<b>21,362</b>
<b>Total Non-GAAP Operating Income<sup>2</sup></b>	<b>62,206</b>	<b>19,933</b>

1. Net income (loss) attributable to CarOffer on a standalone basis does not include certain operating expenses incurred by the core CarGurus business.

2. We define total non-GAAP operating income as total GAAP operating income (loss), adjusted to exclude amortization of acquired intangible assets and stock-based compensation expense. We believe this non-GAAP financial measure provides useful information that will allow investors to evaluate our operating performance and better understand our new CarOffer business.



# Reconciliation of CarOffer GAAP Net Income to Non-GAAP Net Income

(\$ MILLIONS)	Q1 2021	Q4 2021	Q1 2022
<b>GAAP CarOffer Net (Loss) Income<sup>1</sup></b>	(\$7.4)	\$11.9	(\$2.8)
Impact of CarOffer Stock-based Compensation Expense, net of tax	\$1.0	\$10.0	\$11.1
Impact of CarOffer Amortization of Intangible Assets	\$6.1	\$7.3	\$7.3
<b>Non-GAAP CarOffer Net Income</b>	<b>(\$0.3)</b>	<b>\$29.2</b>	<b>\$15.6</b>

1. Net Income attributable to CarOffer on a standalone basis does not include certain operating expenses incurred by the core CarGurus business.

Note: We define non-GAAP CarOffer Net Income as GAAP CarOffer Net Income (loss) adjusted for the impacts of CarOffer Amortization of Intangible Assets and CarOffer Stock-Based Compensation Expense, net of tax. We believe this non-GAAP financial measure provides useful information that will allow investors to evaluate our operating performance and better understand our new CarOffer business.

# Reconciliations of D2D and CarGurus Instant Max Cash Offer Non-GAAP Gross Profit Margin

(\$ MILLIONS)	Dealer-to-Dealer	IMCO
<b>GAAP Revenue</b>	\$105.5	\$161.8
GAAP Cost of Revenue	\$78.9	\$157.2
GAAP Gross Profit	\$26.6	\$4.6
Impact of Amortization of Intangible Assets in Cost of Revenue	\$5.3	\$0.04
Impact of Stock-Based Compensation Expense in Cost of Revenue	\$0.08	\$-
<b>Non-GAAP Gross Profit</b>	<b>\$32.0</b>	<b>\$4.6</b>
GAAP Gross Profit Margin	25%	3%
<b>Non-GAAP Gross Profit Margin</b>	<b>30%</b>	<b>3%</b>

Note: We define non-GAAP Gross Profit Margin for each of our dealer-to-dealer and CarGurus Instant Max Cash Offer businesses as (for the applicable business) non-GAAP Gross Profit divided by GAAP Revenue. We define non-GAAP Gross Profit for the applicable business as the difference between GAAP Revenue and GAAP Cost of Revenue adjusted for the impacts of Amortization of Intangible Assets and Stock-Based Compensation Expense in GAAP Cost of Revenue, each as attributable to the applicable business. We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance and better understand our new CarOffer business.

# Reconciliation of Q2 2020 Revenue to Non-GAAP, Pro Forma Revenue

(\$ MILLIONS)	Q2 2020
Total GAAP Revenue	\$94.7
GAAP US Marketplace Subscription Revenue	\$75.5
Impact of Fee Reductions	\$44.0
<b>Non-GAAP US Marketplace Subscription Revenue</b>	<b>\$119.5</b>
GAAP Int'l Marketplace Subscription Revenue	\$4.5
Impact of Fee Reductions	\$2.7
<b>Non-GAAP Int'l Marketplace Subscription Revenue</b>	<b>\$7.2</b>
<b>Total Non-GAAP, Pro-Forma Marketplace Subscription Revenue</b>	<b>\$126.7</b>
GAAP Total Other Revenue	\$14.8
<b>Total Non-GAAP, Pro Forma Revenue</b>	<b>\$141.5</b>

Note: We define total non-GAAP, pro forma revenue as the sum of (i) non-GAAP, pro forma marketplace subscription revenue and (ii) GAAP other revenue. We define non-GAAP, pro forma marketplace subscription revenue as GAAP marketplace subscription revenue, adjusted to exclude the impact of fee reductions provided during the second quarter of 2020 and which assumes that we had no incremental churn other than realized in such quarter, such that all reported paying dealers retained their subscriptions at their full subscription level. We believe this non-GAAP financial measure provides useful information that will allow investors to compare our period-to-period revenue trends.